

COOPERATIVE AGREEMENT

by and between the

CITY OF LEE'S SUMMIT, MISSOURI,

and the

DOWNTOWN LEE'S SUMMIT COMMUNITY IMPROVEMENT DISTRICT

dated	d as o	of
 		_, 2021

COOPERATIVE AGREEMENT

THIS COOPERATIVE AGREEMENT ("Agreement"), entered into as of this _____ day of _____, 2021, by and between the CITY OF LEE'S SUMMIT, MISSOURI, a charter city and political subdivision of the State of Missouri (the "City"), and the DOWNTOWN LEE'S SUMMIT COMMUNITY IMPROVEMENT DISTRICT, a community improvement district and political subdivision of the State of Missouri ("District" or "CID"), (the City and the District being sometimes collectively referred to herein as the "Parties", and individually as a "Party", as the context so requires). (All capitalized terms used but not otherwise defined herein shall have the meanings ascribed in Section 1.2 of this Agreement.)

RECITALS

- A. The City Council of the City (the "City Council") did on July 1, 2014, pass Ordinance No. 7478, which approved the formation of the District and the Petition to Establish the Downtown Lee's Summit Community Improvement District (the "Petition").
- B. The City has engaged in planning and preparation efforts to proceed with the Downtown Market Center Project (the "**Project**") which is generally planned to be located in an area bounded by 2nd Street on the north, 3rd Street on the South, Green Street on the west and Jefferson Street on the east, and extending across Green Street into the area that currently serves as the Civic Plaza for City Hall (collectively the "**Redevelopment Area**"). The City and the District, along with Downtown Lee's Summit Main Street, Inc., entered into a Memorandum of Understanding dated April 25, 2016 (the "2016 MOU"), for the purpose of making mutual arrangements for site selection, preliminary funding, acquisition of property, and design and construction of a project that was limited to a farmer's market pavilion and multi-use event space. The scope of the Project now exceeds the improvements that were discussed in the 2016 MOU, and this Agreement is intended to describe the Parties efforts to collaborate further on the Project.
- C. Several documents related to the Project have been prepared by the City and presented in a conceptual manner to the City Council and the District Board of Directors in December 2020, which help to inform the Parties and their planning activities regarding the initial conceptual plans and arrangements for the Project:
 - 1. The conceptual site plan that has been prepared at the direction of the City for the Project is attached as **Exhibit A** (the "**Site Plan**"). The Site Plan illustrates the potential public and private land uses that may be constructed within the Project.
 - 2. The conceptual ownership chart depicting the potential ownership arrangement that may be pursued for the Project, in coordination with the selected developer and manager of the project, is set forth in **Exhibit B** (the "**Ownership Chart**").
- D. All of the Redevelopment Area is within the boundaries of the District. A map of the District boundaries is set forth for reference in **Exhibit C**. The District was formed pursuant to the Community Improvement District Act as set forth in Section 67.1400 *et seq.* of the Revised Statutes of Missouri (the "CID Act"). The CID currently collects a 1.0% sales and use tax within the District boundaries, and annually budgets for the expenditure of the District revenues to further projects, programs, events, redevelopment work and business enhancement within the District boundaries.
- E. The City and the District collaborated to form a seven-member selection committee (the "**Selection Committee**") which was charged with reviewing responses to a request for qualifications (the

- "RFQ") that was issued by the City to solicit statements of qualifications for a private developer of the Project that would partner with the City for design and construction of the Project (the "Developer") and a manager of the Project after construction who would have primary responsibility for managing the public components of the Project and integrating the public and private uses (the "Manager"). The Selection Committee thereafter conducted interviews of the most qualified applicants during December 2020, and ranked the most qualified applicants for the positions of Manager and Developer of the Project. On the effective date of this Agreement, the City has negotiated a Development Structure Agreement to establish the initial contractual relationship between the City and the parties that have been identified as the most qualified companies to serve as Developer and Manager.
- F. As the Parties continue to work through the initial stages of preparation for the Project, a primary purpose of this Agreement is to establish the Parties' agreement with respect to additional steps that will be taken by the Parties to continue to collaborate for the Project, including the District's funding commitment levels for the Project and any other programming, design, construction and operational issues that will be coordinated between the Parties.
- G. On May 4, 2021, the City Council adopted Ordinance No. _____, approving this Agreement and authorizing the City to execute and to enter into this Agreement.
- H. The District is authorized in accordance with the provisions of the CID Act to impose a district-wide sales tax and to enter into this Agreement for the construction of various improvements generally located within the boundaries of the Site Plan, at a specific location to be determined by the Parties pursuant to the terms of this Agreement.

AGREEMENT

Now, therefore, in consideration of the premises and mutual promises contained herein and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1: DEFINITIONS, RECITALS AND EXHIBITS

- **Section 1.1. Recitals and Exhibits.** The representations, covenants and recitations set forth in the foregoing recitals and the exhibits attached to this Agreement are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section, and the appropriate exhibits are incorporated into each Section of this Agreement that makes reference to an exhibit.
- **Section 1.2. Definitions.** Words and terms defined elsewhere in this Agreement shall have the meanings assigned therein. Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings:
 - "Agreement" means this Cooperative Agreement.
- "Applicable Laws and Requirements" means any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, directive, requirement or decision of or agreement with or by any unit of government.
- **"Board"** or "**Board of Directors**" means the governing body of the Downtown Lee's Summit Community Improvement District.

- "CID Act" means the Missouri Community Improvement District Act, Sections 67.1401, et seq., RSMo, as amended.
- "City" means the City of Lee's Summit, Missouri, a charter city and political subdivision under applicable Missouri laws.
 - "City Council" means the governing body of the City of Lee's Summit, Missouri.
 - "City Manager" means the City Manager of the City, or his/her designee.
 - "Director" means a director of the District.
- "District Operating Costs" means the actual, reasonable expenses which are necessary for the operation of the District which shall include, but is not limited to, costs associated with notices, publications, meetings, supplies, equipment, photocopying, the engagement of special legal counsel, financial auditing services, and other consultants or services, and shall also include reasonable attorneys' fees for the formation of the District.
- "District Sales Tax" means the sales tax levied by the District on the receipts from the sale at retail of all tangible personal property or taxable services at retail within its boundaries pursuant to the CID Act in the maximum amount of one percent (1.0%), as established by resolution of the District and approved by the qualified voters of the District, in accordance with this Agreement.
- "District Sales Tax Revenues" means the monies actually collected, pursuant to this Agreement and the CID Act, from the imposition of the District Sales Tax.
- "Farmer's Market Pavilion" means the Farmer's Market Pavilion and multi-use public space as outlined in red and presented in Exhibit D.
- "Fiscal Year" means July 1 through June 30 of each year, which Fiscal Year coincides with the City's fiscal year.
- "**Petition**" means the Petition to Establish the Downtown Lee's Summit Community Improvement District, filed with the City Clerk of Lee's Summit, Missouri, approved by Ordinance No. 7478 on July 1, 2014.

ARTICLE 2: REPRESENTATIONS

Section 2.1. Representations by the District. The District represents that:

- A. The District is a community improvement district and political subdivision, duly organized and existing under the laws of the State of Missouri, including particularly the CID Act.
- B. The District has authority to enter into this Agreement and to carry out its obligations under this Agreement. By proper action of its Board of Directors, the District has been duly authorized to execute and deliver this Agreement, acting by and through its duly authorized officers.
- C. There is no litigation or proceeding pending or threatened against the District affecting the right of the District to execute or deliver this Agreement or the ability of the District to comply with its obligations under this Agreement.

Section 2.2. Representations by the City. The City represents that:

- A. The City is duly organized and existing under the Constitution and laws of the State of Missouri as a charter city.
- B. The City has authority to enter into this Agreement and to carry out its obligations under this Agreement, and the Mayor of the City is duly authorized to execute and deliver this Agreement.
- C. There is no litigation or proceeding pending or threatened against the City affecting the right of the City to execute or deliver this Agreement or the ability of the City to comply with its obligations under this Agreement.

ARTICLE 3: MANAGER AND DEVELOPER SELECTION.

- **Section 3.1. Manager and Developer Selection.** The Parties have coordinated by joint participation in the Selection Committee to identify the most qualified companies to serve as Developer and Manager. The City will proceed with the negotiation of a Development Structure Agreement between the City, Developer and Manager to establish the initial duties of the respective parties, the associated payment arrangements for services provided by Developer and Manager, and the process that will be used for the Project which is expected to follow the Process Chart. When the Development Structure Agreement is executed, the City expects to have the initial contractual arrangements with the Developer and Manager in effect, and the Parties to this Agreement can proceed with the Project in accordance with sequence of steps set forth in the Process Chart.
- **Section 3.2. Programming**. The Parties agree that the CID shall have the opportunity to review and approve on an annual basis the overall annual programming plan of the Farmer's Market Pavilion. The CID may seek input from Downtown Lee's Summit Main Street, Inc. ("DLSMS") for the CID's review of the annual programming plan Farmer's Market Pavilion. The programming shall include priority scheduling for use of the Farmer's Market Pavilion by DLSMS for the Farmer's Market operation as the anchor user, and reservation of the Farmer's Market Pavilion for the DLSMS Downtown Days event.

ARTICLE 4: PROJECT SCOPE, CONSTRUCTION, AND FINANCING

- **Section 4.1. Project Scope.** In 2016, the City and District entered into the 2016 MOU which defined the project as "the construction of a farmer's market pavilion/multi use event space". The Project has since evolved and is part of a larger Downtown Market Center Project which includes another event space. The City and CID agree that the District will continue to be involved with the Farmer's Market Pavilion development both in design review and partial funding.
- **Section 4.2. Conditions for Farmer's Market Pavilion Funding.** The District agrees to exclusively fund the Farmer's Market Pavilion under the following conditions:
- A. The District Board will have final design approval of the Farmer's Market Pavilion and related opinion of probable costs.
- B. The District Board shall be involved in the Farmer's Market Pavilion bidding process, and the City and CID shall agree on the award to the successful bidder, and the construction contract with the

successful bidder shall include the requirement that any change orders be approved by the City and the CID.

- C. The Farmer's Market Pavilion programing review and approvals set forth in Section 3.2 of this Agreement.
- D. No CID contributed funds shall be used to finance storm water improvements, or any elements of the broader Downtown Market Center Project.
- E. During the time period of the CID financing there shall be placed on the real property of the Farmer's Market Pavilion a restrictive use covenant for a farmer's market and multi-use public space only use unless otherwise authorized by the City and the CID Board. The parties agree that the restrictive use covenant will allow for use of the Farmer's Market Pavilion for primarily public uses and secondary private events according to the programming schedule approved by the City and the CID, and that any private events in the Farmer's Market Pavilion shall be for the purpose of generating revenue from the operation of the Farmer's Market Pavilion and in furtherance of the overall public purposes of the Farmer's Market Pavilion
- F. The City shall fund the balance of the construction costs in excess of the Total Construction Contribution (defined below) of the Farmer's Market Pavilion.
- **Section 4.3. Funding Commitments.** The District will contribute funding exclusively for the Farmer's Market Pavilion in two (2) parts:
- A. The District will contribute an amount not to exceed \$120,000.00 for the fees and costs associated with the schematic design, engineering, and construction documents for the Farmer's Market Pavilion, and development of the opinion of probable cost. The CID Board shall be involved in the selection of these consultants, and directly participate in the schematic design and engineering plan review and consideration.
- B. Following final design and estimated cost approval by the CID Board, the Board is willing to contribute construction funding for the Farmer's Market Pavilion in an amount not to exceed \$4,000,000.00 ("Total Construction Contribution") over a 20-year period. Said financing shall be provided as a reimbursement, or direct payment to third party contractor, to be approved by the Board after receipt and review of invoices and supporting documentation for the Farmer's Market Pavilion. The Total Construction Contribution shall be provided as follows: (1) an initial contribution in an amount not to exceed \$750,000 ("Initial Contribution") with twenty (20) subsequent annual contributions in the amount of \$162,500.
- C. The City agrees to contribute all construction funds in excess of the Total Construction Contribution necessary for completion of construction of the Farmer's Market Pavilion.
- **Section 4.4. Ownership.** The Parties hereby agree that the City shall own the land and improvements for the Farmer's Market Pavilion.

ARTICLE 5: SPECIAL COVENANTS

Section 5.2. Consent by Tenants and Transferees.

A. To the extent practicable and using best efforts, City shall cause all leases of property in the District entered into after the date of this Agreement to contain a provision that is in substantial compliance with the following:

Community Improvement District: Tenant acknowledges and consents that the Leased Premises are a part of the Downtown Lee's Summit Community Improvement District ("District") created by ordinance of the City of Lee's Summit, Missouri ("City"), that the District imposes a sales tax on Tenant's eligible retail sales that will be applied toward the costs of the CID that will provide a generalized benefit to the District. Tenant shall forward to the District sales tax information in substantially the form of the Tenant's State of Missouri sales tax returns for its property located in the District when available. Tenant hereby acknowledges and agrees that the City and the District are third party beneficiaries of the obligations in this paragraph and shall have a separate and independent right to enforce these reporting requirements.

B. City, or any third party, may transfer real property within the CID area. City shall insert in any document transferring any interest in real property within the CID area, and shall use its best efforts to cause any transferee to insert language reasonably similar to the following, provision:

Community Improvement District: Grantee acknowledges and consents that the Property is a part of the Downtown Lee's Summit Community Improvement District ("District") created by ordinance of the City of Lee's Summit, Missouri ("City"), and that the District imposes a sales tax on eligible retail sales conducted within the District that will be applied toward the costs of CID Improvements that provide a generalized benefit to all property within the District. Grantee shall, or shall cause any applicable tenant of Grantee, to forward to the District sales tax information in substantially the form of the State of Missouri sales tax returns for the Property when and as they are available. Grantee hereby acknowledges and agrees that the City and the District are third party beneficiaries of the obligations in this paragraph and shall have a separate and independent right to enforce these reporting requirements.

- C. To the extent practicable and using best efforts, the City shall enforce the lease/sales contract obligation set forth in this Section.
- D. Failure of the City to require that such restrictions be placed in any such lease/sales contract shall in no way modify, lessen or diminish the obligations and restrictions set forth herein relating to the District's rights of enforcement and remedies under this Agreement, or otherwise form the basis of a default on the part of the City hereunder.

ARTICLE 6: TERMINATION

Section 6.1. Termination by the District. Either Party may terminate this Agreement, at such Party's sole discretion, at any time prior to the first payment to be made by the District as contemplated in Section 4.3.B of this Agreement.

ARTICLE 7: DEFAULTS AND REMEDIES

Section 7.1. Default and Remedies. An Event of Default shall occur upon the failure by either Party in the performance of any covenant, agreement or obligation imposed or created by this Agreement and the continuance of such failure for fifteen (15) days after the other Party, as applicable, has given written notice to such Party specifying such failure.

All notices required pursuant to this Agreement shall be sent as follows:

To the City: To the District:

City of Lee's Summit The Downtown Lee's Summit Community Improvement District

220 SE Green 13 SE Third St.

Lee's Summit, MO 64063 Lee's Summit, MO 64063

Attn: City Administrator

With a copy to:

Bushyhead Law 315 SE Main St.

Lee's Summit, MO 64063 Attn: Christine Bushyhead

Section 7.2. Rights and Remedies Cumulative. The rights and remedies maintained by any Party under this Agreement and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. Any Party shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding availability of an adequate remedy at law, and any Party hereby waives the right to raise such defense in any proceeding in equity.

Section 7.3. Waiver of Breach. No waiver of any breach of any covenant or agreement contained in this Agreement shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of an Event of Default, a non-defaulting Party may nevertheless accept from the defaulting party, any payment or payments without in any way waiving the non-defaulting party's right to exercise any of its rights and remedies as provided herein with respect to any such default or defaults in existence at the time when such payment or payments were accepted by the non-defaulting party.

ARTICLE 8: MISCELLANEOUS

Section 8.1. Effective Date and Term. This Agreement shall become effective on the date this Agreement has been fully executed by the Parties. This Agreement shall remain in effect for as long as the District is legally in existence.

Section 8.2. Force Majeure. Notwithstanding anything to the contrary contained herein, neither party shall be liable for any delays or failures in performance resulting from acts beyond its reasonable control including, without limitation, acts of God, acts of war or terrorism, shortage of supply, pandemic, adverse market conditions, governmental shutdown or closure, breakdowns or malfunctions,

interruptions or malfunction of computer facilities, labor difficulties or civil unrest. Notwithstanding the foregoing, in the event of such an occurrence, each party agrees to make a good faith effort to perform its obligations hereunder.

- **Section 8.3. Modification.** The terms, conditions, and provisions of this Agreement can be neither modified nor eliminated except in writing and by mutual agreement among the City, the District and the Developer. Any modification to this Agreement as approved shall be attached hereto and incorporated herein by reference.
- **Section 8.4. Jointly Drafted.** The Parties agree that this Agreement has been jointly drafted and shall not be construed more strongly against another Party.
- **Section 8.5. Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.
- **Section 8.6.** Validity and Severability. It is the intention of the Parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies of State of Missouri, and that the unenforceability (or modification to conform with such laws or public policies) of any provision hereof shall not render unenforceable, or impair, the remainder of this Agreement. Accordingly, if any provision of this Agreement shall be deemed invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable.
- **Section 8.7. Execution of Counterparts.** This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
- **Section 8.8. City Approvals.** Unless specifically provided to the contrary herein, all approvals of the City hereunder may be given by the City Manager or his or her designee without the necessity of any action by the City Council. The City Manager may seek the input from the City Council before granting any approval.
- **Section 8.9. District Approvals.** Unless specifically provided to the contrary herein, all approvals of the District hereunder may be given by the Executive Director of the District or his or her designee without the necessity of any action by the Board of Directors.
- **Section 8.10.** Recordation of Memorandum of Agreement. The Parties agree to execute and deliver a Memorandum of this Agreement in proper form for recording and/or indexing in the appropriate land or governmental records. Such Memorandum shall be recorded by the City within thirty (30) days of the effective date of this Agreement, on parcels within the District boundaries, including parcels owned by the City, and proof of recording shall be provided to the District.
- **Section 8.11. Electronic Transaction.** The transactions described herein may be conducted and related documents may be received, delivered or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and

valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 8.12. Entire Agreement. This Agreement contains the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof including the Memorandum of Understanding by and between the City, DLSMS, and the District, dated April 25, 2016 ("2016 MOU"). DLSMS has expressed its intent to execute an Acknowledgement of this Agreement, and Consent that the 2016 MOU is hereby terminated. Said Acknowledgement and Consent is attached hereto and incorporated by this reference as **Exhibit F**. The express terms control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

CITY OF LEE'S SUMMIT, MISSOURI

	By: William Baird, Mayor
[Seal]	William Baird, Mayor
ATTEST:	
Trisha Arcuri, City Clerk	
APPROVED AS TO FORM:	
David Bushek, Chief Counsel of Economic Development and	d Planning
STATE OF MISSOURI)) SS. COUNTY OF JACKSON)	
duly sworn, did say that he is the Mayor of the political subdivision of the State of Missouri, ar seal of said City, and that said instrument was s	before me appeared, Mayor William Baird, who being, by me CITY OF LEE'S SUMMIT, MISSOURI, a charter city and addid say that the seal affixed to the foregoing instrument is the signed and sealed on behalf of said City, by authority of its City strument to be the free act and deed of said City.
IN TESTIMONY WHEREOF, I has County and State aforesaid, the day and year find	ave hereunto set my hand and affixed my official seal in the rst above written.
Notary Public (SEAL)	
My commission expires:	

DOWNTOWN LEE'S SUMMIT COMMUNITY IMPROVEMENT DISTRICT

	By:	
	3 ·	Brad Culbertson, Chairman
[Seal]		
ATTEST:		
<u> </u>		
Secretary		
STATE OF MISSOURI)		
COUNTY OF JACKSON) SS.		
COUNTI OF JACKSON)		
On this day of, 20 duly sworn, did say that he is the Exect COMMUNITY IMPROVEMENT DISTRESSIBLE existing under the laws of the State of Missouriby authority of its Board of Directors and said and deed of said District.	utive Director of RICT, a commur i, and that said inst	nity improvement district organized and rument was signed in behalf of said District
IN TESTIMONY WHEREOF, I has County and State aforesaid, the day and year f		y hand and affixed my official seal in the
Notary Public		
(SEAL)		
My commission expires:		

EXHIBIT A <u>SITE PLAN</u>



LEE'S SUMMIT DOWNTOWN MARKET MASTER PLAN

Lee's Summit, Missouri

August 1, 2019 / 019-1599

ochsner hare + hare

the olsson studio

olsson studio

EXHIBIT B OWNERSHIP CHART

Conceptual Downtown Market Plaza **Ownership** Chart

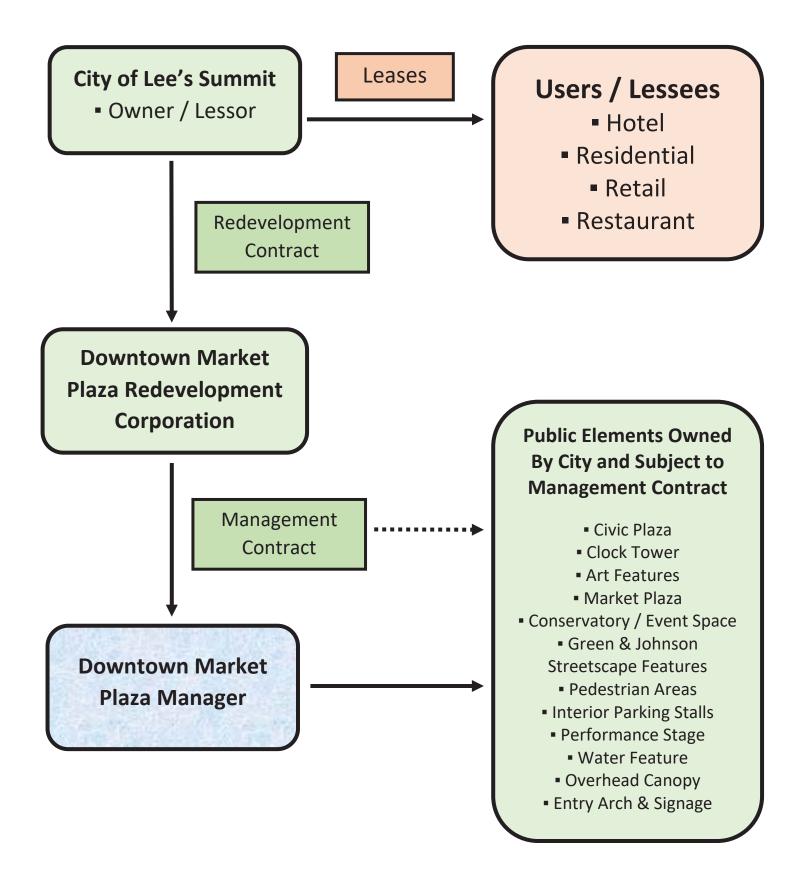


EXHIBIT C MAP OF CID BOUNDARIES

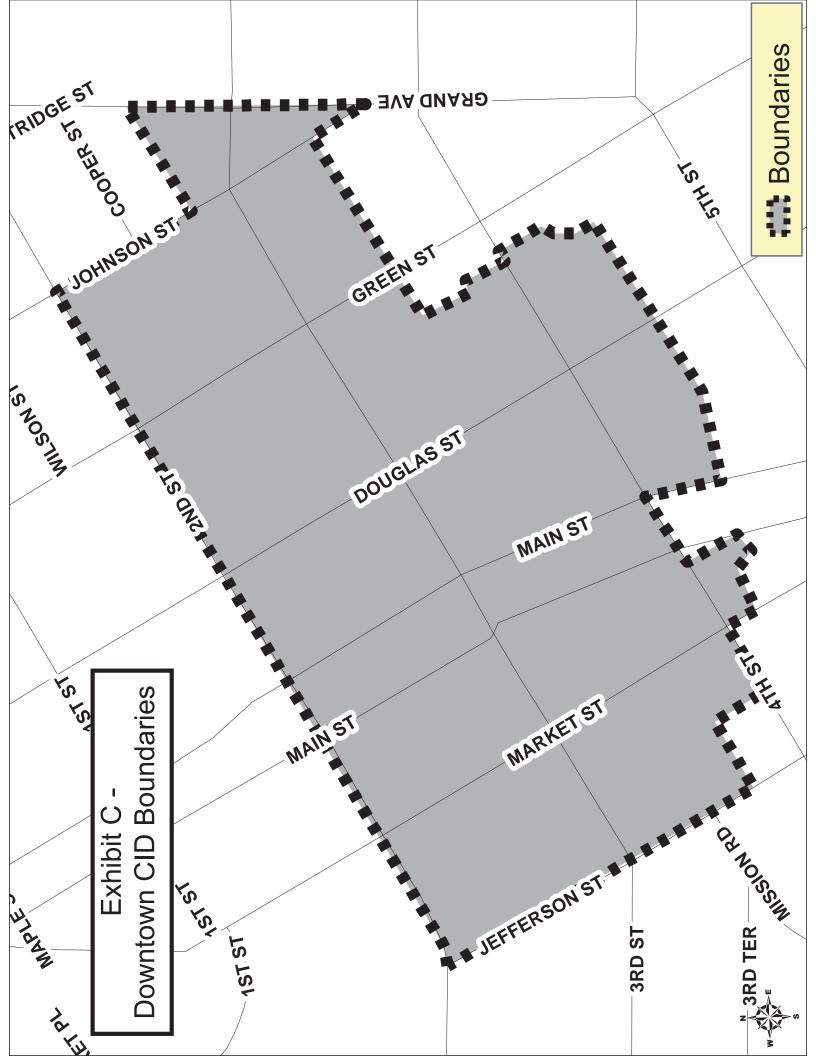


EXHIBIT D

FARMER'S MARKET PAVILION AND MULTI-USE PUBLIC SPACE



Farmer's Market Pavilion and Multi-use public space

EXHIBIT E <u>DISTRICT RESOLUTION 2021-01</u>

EXHIBIT F <u>ACKNOWLEDGMENT AND AGREEMENT</u>

ACKNOWLEDGMENT AND CONSENT

The undersigned, Downtown Lee's Summit Main Street ("**DLSMS**"), hereby acknowledges the 2021 Cooperative Agreement by and between the Downtown Lee's Summit Community Improvement District and the City of Lee's Summit regarding the construction of a farmer's market pavilion/multi use event space. DLSMS acknowledges that the Memorandum of Understanding by and between the City, DLSMS, and the District, dated April 25, 2016 ("2016 MOU") regarding the same described project is hereby terminated.